

MISSOURI FORWARD

Budget & Legislative Priorities
Fiscal Year 2021



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Michael L. Parson

GOVERNOR
STATE OF MISSOURI

January 15, 2020

TO THE GENERAL ASSEMBLY AND THE PEOPLE OF MISSOURI:

Over the past year, our administration has worked hard to make a positive difference for the people of Missouri. From workforce development and infrastructure to better government, we've had several wins worth celebrating and have shown what major progress we can make by working together. Our investments are paying off, and we will continue to build on that momentum this year.

This year's budget makes key investments aimed at building stronger communities, improving education and workforce development, revitalizing our infrastructure, and making government more accountable. These investments will provide individuals with more opportunities, strengthen public safety, and improve the health and well-being of Missourians.

Ranging from early education to post-secondary opportunities, our investments in education and workforce development will help provide more Missourians with the knowledge and skills to succeed, and our infrastructure investments will continue to revitalize Missouri's vast transportation system. The budget also reflects our continued commitment to making state government more efficient and accountable by investing in our workforce, incentivizing better performance, and changing how we work to better serve Missourians.

As Missouri's financial health has always been of utmost importance to our administration, we have budgeted for all of these investments while once again leaving over \$100 million on the bottom line.

A budget is about priorities, and our administration is confident these are the right priorities to continue moving Missouri forward. We look forward to working together again in 2020.

Sincerely,

A handwritten signature in black ink, reading "Michael L. Parson".

Michael L. Parson
Governor

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On the Cover

"She's Old But She Still Works,"
by Pamela Thompson

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Celebrate THE WINS

Parson Administration Highlights



*Governor Mike Parson
and First Lady Teresa Parson*

- Developed and Signed a Balanced State Budget Leaving \$100M on the Bottom Line
- Reorganized One-Quarter of State Agencies
- Attracted Nearly \$5B in Committed Private Sector Investments, Including a \$1.5B General Motors Single Project Investment
- Gained 40,000 New Jobs
- Ranked in the Top 15 by Site Selectors, a 10 Spot Jump in One Year
- Ended the Economic Border War with Kansas
- Created the \$50M Cost-Share Program, Resulting in \$150M in New Infrastructure and an Economic Impact of Approximately \$350M
- Developed \$301M State Bonding Plan, Repairing & Replacing over 250 Bridges
- Ranked 2nd in the Nation for International Investments
- Welcomed the Relocation of Two USDA Agencies to Kansas City
- Ranked 2nd in the Nation for Apprenticeships
- Registered 42,000 Missouri Workers in the One Start Program
- Historically Low Unemployment Rate of 3.1 Percent and a Drop of Nearly Half in the African American Unemployment Rate Since 2014
- Ranked 7th in the Nation for Small Business Wage Growth
- Eliminated Nearly One in Every Five Regulations
- Overhauled Missouri's Workforce Development Incentives
- Funded Pay Plan Increase for State Workforce
- Led Extreme Weather Response During 2019 Floods and Tornadoes
- Reduced the Backlog and Made Nearly 400 Appointments to Professional Boards and Commissions
- Signed 30 Executive Orders
- Made 29 Judicial Appointments



Stronger Communities

Missouri's success starts and ends with the people and communities we serve. To make real change, we must continue to invest in issues that provide individuals with more opportunities, strengthen public safety, and improve the health and well-being of Missourians. Governor Parson's budget calls for numerous investments in safety and health – both issues that will build stronger communities and broaden the path to success that we can achieve.



Public Safety

In 2019, Governor Parson committed Highway Patrol Troopers and Department of Public Safety personnel and resources to numerous federal task forces focused on apprehending dangerous fugitives, stopping gang activity, seizing illegal guns and drugs, and preventing human trafficking. These task forces are a collaboration of local, state, and federal law enforcement agencies that work in the most dangerous areas of the state.

Governor Parson also deployed Highway Patrol Troopers to designated areas of highway in the St. Louis area. These troopers are working to improve the public safety of Missouri citizens.

In addition, in March, Governor Parson signed Executive Order 19-04 creating the School Safety Task Force, and in October, signed Executive Order 19-18 to address the youth vaping epidemic in Missouri.



Safety

School Safety Grant

\$1M

Awarding the U.S. Department of Justice STOP School Violence Program grant for the prevention and reduction of school violence by creating a school safety academy to train school safety coordinators and develop a school safety coordinator certification program.

Witness Protection Fund

\$1M

Allowing local police chiefs, county sheriffs, other law enforcement agencies, and prosecutors access to funds that will help protect crime victims and witnesses during the investigatory stages of a case.

Sexual Assault Kit Backlog Reduction

\$1M

Streamlining funds to eliminate the Highway Patrol's backlog of 601 sexual assault kits and expected FY 2020 backlog growth. A recent Attorney General's Office survey revealed over 5,000 untested kits across Missouri law enforcement agencies.

County Reimbursements

\$22M

Reimbursing certain costs which counties and St. Louis City incur during the prosecution and incarceration of defendants sentenced to imprisonment in the Department of Corrections, transporting prisoners from county jails to the reception and diagnostic centers, and transporting extradited offenders back to Missouri.

A STORY OF Success

Flood Recovery

Missouri was inundated by record-level flooding this year, devastating businesses, farms, homes, and communities across the state.

To help establish a path forward and refocus the state's flood control priorities, Governor Parson signed Executive Order 19-14 in July creating the Flood Recovery Advisory Working Group.

Governor Parson also came together with the Governors of Kansas, Nebraska, and Iowa to discuss flood control and identify regional solutions. As a group, they met with the U.S. Army Corps of Engineers three times to discuss what needs to be done differently to be better prepared for the future.

The Governors also recently signed a four-state agreement to cooperate on issues relating to flood control and the U.S. Army Corps of Engineers.

Additional Troopers for St. Louis Special Operational Periods

\$626,732 and 4 FTE

Committing four additional Highway Patrol Troopers to support the St. Louis Special Operational Periods.

Missouri Law Enforcement Assistance Program (MOLEAP)

\$279,899 and 4 FTE

Providing staff support for the MOLEAP program. The program will offer grant assistance to help local law enforcement agencies engage in violent crime reduction strategies, including specialized training, data analysis to determine what factors are driving violent crime, and community policing efforts.

Flood Recovery Emergency Assistance

Public Health Emergency Grant

\$400,000

Adding \$400,000 in funds to acquire and maintain assets for the State Emergency Management Agency's (SEMA) Missouri Disaster Medical Assistance Team and Missouri Mortuary Operations Response Team. The teams are capable of setting up a state-of-the-art emergency room setting in a disaster location, including medical personnel.

Hazard Mitigation Assistance

\$800,000

Working through SEMA's Hazard Mitigation program with two competitive FEMA Hazard Mitigation Grants: Pre-Disaster Mitigation and Flood Mitigation Assistance. Projects include community safe rooms, storm sirens, and low water crossings, among others.

Repairing State Levees

\$4M

Continuing the rehabilitation of approximately 60 non-federal levees across the state to address flooding.



Health

Eliminate FY 2020 Developmental Disabilities Waitlist

\$22.2M

Providing case management and waiver services for individuals added to the waitlist in FY 2020 who have significant developmental disabilities and are in need of residential services and in-home supports.

Serve Additional Missourians with Behavioral Health & Developmental Disabilities

\$49.1M

Providing funds for MO HealthNet behavioral health services for an additional 2,467 youth and adults and case management and waiver services for 1,972 new individuals with developmental disabilities.

Strengthen Home & Community Based Health Services

Developmental Disabilities Provider Rate Standardization

\$58.1M

Moving developmental disability provider rates closer to market-based costs and toward rate consistency among acuity levels to ensure quality care.

In-Home Services Market Based Rate Adjustment

\$34.9M

Adjusting MO HealthNet in-home provider rates closer to market-based costs and toward rate consistency among populations served. This will allow children, adults with disabilities, and seniors to remain safe and more independent in the least restrictive environment as an alternative to institutional care.

Crisis Counseling Grant

\$777,500

Extending behavioral health services for emergency responders, rural families, and farmers in the 26 counties that were affected by the recent severe weather and flooding.

Certified Community Behavioral Health Increase

\$1.4M

Expanding the Certified Community Behavioral Health Organization initiative into two more regions of the state to increase access to quality and evidence-based behavioral healthcare. This initiative will help prevent inappropriate and unnecessary use of jails, prisons, and emergency departments for individuals with behavioral health needs.

Medication Assisted Treatment

\$5M

Maintaining funds for 3,600 individuals to receive medications to treat substance use disorders and assist in their recovery.

Maternal Opioid Misuse – MOM Grant

\$750,000

Helping provide expectant and new mothers with the resources needed to overcome Opioid Use Disorder as a critical step to reducing healthcare and societal costs associated with Neonatal Abstinence Syndrome.

Veterans Community Project

\$1M

Administering a one-time program for a community project working to address veteran homelessness and housing needs.





Workforce & Education

A workforce with the knowledge and skills to fill the jobs of tomorrow is critical to Missouri's path forward. We have made major progress on this issue over the past year, and we must continue to take action, improve education, and provide more options for high-demand job training. From early childhood education to post-secondary opportunities, Governor Parson's budget makes substantial investments aimed at giving more Missourians the education and training necessary to meet the demands of the future.

Fully Fund the Education Formula

\$10M

Funding the state's elementary and secondary education formula, bringing the base foundation funding for education to more than \$3.56B.

School Transportation Funding

\$10M

Providing additional resources for school districts to transport students to school, bringing state support for school transportation to more than \$117.5M.

MO Excels

\$19.6M

Funding the second year of MO Excels projects to facilitate the development of employer-driven workforce education and training programs at Missouri's higher education institutions.

Missouri One Start

\$14.9M

Continuing regional economic growth and providing workforce solutions to allow business to create and retain jobs in Missouri, making Missouri businesses more competitive.

Jobs for America's Graduates (JAG)

\$750,000

Providing school services to help at-risk youth graduate high school and successfully transition to postsecondary education and meaningful employment. JAG, a voluntary in-school program that counts as a high school elective, focuses on core competencies that prepare students for workforce success. This funding will allow JAG to expand to more schools.





A STORY OF Success

Fast Track

Mallory Fox is a nursing assistant, a wife, and a mother. Mallory has worked in the healthcare industry for 17 years and finds purpose in caring for others, but she wants more out of her career. She wants to be a registered nurse and work in an intensive care unit.

Three semesters away from earning a degree from East Central College, she is on the path toward achieving her dreams. But balancing school with work and a family is never easy. It requires some assistance. A Fast Track grant would cover the remaining cost of Mallory's schooling and give her the help she needs to make her dreams a reality.

Fast Track Workforce Incentive Grant

\$4.4M

Funding the projected amount necessary to continue the Fast Track program. Fast Track addresses workforce needs by encouraging adults to pursue a certificate, degree, or industry-recognized credential in an area designated as high-demand. High-demand occupations, identified by the Department of Economic Development, have been linked to specific academic programs.

Workforce Development

Career Ready 101

\$85,500

Covering the ongoing licensing costs to expand this program to all 57 high school career and technical centers. The program helps individuals explore careers, master work readiness skills, and prepare for a successful job search.

WorkKeys Assessment and Career Readiness

\$750,000

Allowing approximately 12,000 additional students to take the ACT WorkKeys and Career Readiness Assessment, which provides a credential indicating an individual's mastery of skills critical to success across industries and occupations. The WorkKeys Assessment is accepted by more than 5,000 Missouri employers.

High School Equivalency Exam

\$295,804

Covering costs for all first-time High School Equivalency Exam test takers, including those in the Department of Social Services' Division of Youth Services, Job Corps, High School Option students, and test takers at the Department of Corrections.

Virtual Education

Virtual Education Workforce Initiative

\$500,000

Providing the funds to expand Springfield School District's "Launch" program statewide, specifically for critical course curriculum development for workforce training. "Launch" is an online learning platform that began in the fall of 2017 with 19 partner school districts. The program has expanded and now includes nearly 240 partner school districts.

JAG Curriculum Development

\$10,000

Funding the development of a virtual high school curriculum, delivered through the Springfield School District's "Launch" platform, for the JAG program. Virtual curriculum will allow students access to JAG even if their school district does not utilize a JAG program.

Scholarship Funds for Missouri Universities & Colleges

A+ Scholarship

\$4.8M

Providing scholarship funds to eligible graduates of A+ designated high schools who attend a participating public community college, public vocational/technical school, or certain private two-year vocational/technical schools. The scholarship will reimburse, within certain limits, the unpaid balance of tuition and general fees after all available, non-loan federal financial assistance has been applied. The A+ Scholarship is projected to support roughly 13,300 community college students in FY 2021, an increase of 118 students from FY 2020.

Bright Flight Academic Scholarship

\$500,000

Maintaining full funding for the Academic Scholarship program commonly known as "Bright Flight." This is a merit-based program that encourages top-ranked high school seniors (those scoring in the top 3 percent on the ACT or SAT) to attend approved Missouri postsecondary schools. Awards will be maintained at \$3,000 per student. Bright Flight will support an estimated 8,207 students in FY 2021, an increase of 316 over FY 2020.





Early Childhood Special Education Increase

\$12M

Covering cost increases for early childhood special education, including transportation and personnel costs.

Preschool Development Grant

\$11.2M

Coordinating a more effective, high-quality early learning system that better prepares Missouri children for success. The Preschool Development Grant Birth to Five provides \$33.5M in funding over three years to implement an interagency effort to provide regional access to coordinated early childhood services to better meet a family's needs, enhance and streamline training opportunities for early learning professionals, and improve systems to better inform decision-making about early learning.

Infrastructure

Situated at the crossroads of America, Missouri's infrastructure system is a lifeline for transportation across the nation. Maintaining our state's roads, bridges, ports, and waterways is critical to ensuring we have the framework for success going forward, and while outstanding progress was made last year, there is still more to be done. Governor Parson's budget reflects his continued commitment to revitalizing our infrastructure, calling for key investments in transportation as well as water resources, levee rehabilitation, and rural broadband.



Transportation Cost-Share

\$50M

Continuing the cost-share program, which provides financial assistance to public and private applicants for public road and bridge projects. The program matches up to 50 percent of the construction contract costs for selected projects. The Missouri Departments of Transportation and Economic Development select the projects with the goal of building partnerships with local entities to deliver road and bridge projects that have the greatest economic benefit to the state.

Rural Infrastructure Investments

Broadband Grant Increase

\$5M

Strengthening current grants to help providers, communities, counties, and regions invest in building rural broadband infrastructure in rural and underserved areas of the state.

Water Resources Fund

\$13M

Continuing Multipurpose Water Resource Program funding to support the plan, design, construction, or renovation of public water supplies, flood control storage, drought mitigation, and public water supply treatment, or transmission facilities projects.

Port Capital Improvements

\$10.1M

Continuing the current port authority capital improvement projects throughout the state.



A STORY OF Success

The Rocheport Bridge Funding

The Missouri River Bridge at Rocheport carries 12.5M vehicles per year, including 3.6M trucks. It is at the heart of national and regional freight distribution and is a linchpin to the mobility needs of Missourians. Each year, more than 100M tons of freight, worth more than \$154B, crosses the bridge.

The Rocheport Bridge was built in 1960 and has long needed replacement. Before receiving a federal Infrastructure for Rebuilding America (INFRA) grant to build a new bridge, available funds would have only allowed for a short-term rehabilitation of the structure. The current four-lane structure will continue to be used while a new bridge that can accommodate six lanes in the future will be built alongside the current location.

Building a new I-70 bridge at Rocheport will provide reliable mobility to commuters, travelers, and freight carriers for the next 100 years.



A STORY OF *Success*

Improving Our Infrastructure

In July, Missouri received an \$81.2M Infrastructure for Rebuilding America (INFRA) grant from the U.S. Department of Transportation to build a new I-70 Missouri River Bridge at Rocheport.

Receipt of the grant triggered \$301M in state bonding, authorized by the General Assembly during the 2019 legislative session, to repair or replace another 215 bridges across the state. The Missouri Department of Transportation recently issued the first series of bonds at a true interest cost of 1.25 percent.

In addition to the bonding plan, the Missouri legislature included \$50M in general revenue in the FY 2020 state budget to repair or replace approximately 45 bridges throughout the state. Another \$48M in general revenue approved by the General Assembly will fund 19 cost-share projects under the newly created Governor's Cost Share Program that will have an economic impact of approximately \$321M.

In all, the bold infrastructure proposals put forward this year have netted \$1B in transportation projects for the state.

「Government Reform」

As public servants, it is our responsibility in state government to provide reliable and responsive service to the people of Missouri. Building on last year's historic progress, Governor Parson and his Cabinet team remain committed to making state government more efficient and accountable by investing in our workforce, incentivizing better performance, improving budget discipline, and changing how we work to better serve Missourians.



JEFFERSON CITY CORRECTIONAL CENTER





Government Reorganization

On August 28, 2019, the most significant reorganization of state government in decades went into effect. The result was a complete overhaul of the Department of Economic Development's strategy, taking it from the largest, least focused economic development agency in the Midwest to one of the most laser-focused on supporting businesses and communities. The restructuring is part of the comprehensive effort to improve the efficiency and effectiveness of state government for the citizens of Missouri.

The reorganization enabled activities vital to the public interest to join agencies where their alignment was deeper and more strategic:

- The Division of Workforce Development and the Missouri Economic Research and Information Center moved to the newly named Department of Higher Education and Workforce Development (formerly the Department of Higher Education) to establish a single state resource for all postsecondary education options.
- The Division of Energy moved to the Department of Natural Resources.
- The Office of Public Counsel and the Public Service Commission moved to the newly named Department of Commerce and Insurance (formerly the Department of Insurance, Financial Institutions, and Professional Registration).
- The Missouri Arts Council moved to the Office of the Lieutenant Governor.

Within the Department of Economic Development, six regional teams were established across the state, with individuals working and living in the communities they serve. A whole division dedicated to assisting businesses with hiring and training workers was also created, along with a new division focused on continually evaluating the state's economic development strategy.

Investing in Our Workforce

\$26.2M

Providing a pay increase for state employees to keep pace with Missouri's labor market and to improve recruitment and retention.

Above & Beyond Performance Incentives

\$5.1M

Funding performance incentives for the top 10 percent of state employees in 15 departments to motivate "above and beyond" performance, promote continuous improvement, and improve accountability. Incentives of up to 5 percent will be capped at \$2,500 maximum per qualifying employee.

DHSS Mobile Assessment App

\$550,750

Equipping Department of Health and Senior Services staff with tablets enabled with a modern touchscreen application for conducting Home and Community Based Services initial assessments and annual reassessments to replace the existing cumbersome, inefficient paper-based process. This investment is estimated to save 38,000 hours of staff time.

Advanced Customer Service Technology

\$5M

Procuring the specialized expertise to develop the master plan, identify the base information technology architecture, and then improve customer service and increase efficiency in multiple agencies by application of advanced technology.

A STORY OF Success

Consolidating a State Prison & Reinvesting In Our Team

In his January 2019 State of the State Address, Governor Parson announced a plan to consolidate the state's two Cameron prisons. This consolidation not only improved staffing levels but also provided over \$20M in annual savings that were then reinvested to improve retention of Department of Corrections staff.

By the end of summer 2019, the consolidation of Crossroads Correctional Center with Western Missouri Correctional Center was complete, and the pay plan had been signed into law as part of the state's budget bill.

The pay plan provides the largest pay increase in the department's history without employee layoffs or additional offender releases, while the facility consolidation improves staffing levels statewide to help ensure safety.





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When I returned to Missouri from serving in the military, I said I would never leave this state. Missouri will always be home. God bless Missouri and all its citizens!

Governor Mike Parson